Remarks:

Applicant has carefully studied the non-final Examiner's Action mailed 13 March 2008, and all references cited therein. The amendments appearing above and these explanatory remarks are believed to be fully responsive to the Office Action. Accordingly, this important patent application is now believed to be in condition for allowance.

Applicant responds to the outstanding Action by centered headings that correspond to the centered headings employed by the Office, to ensure full response on the merits to each finding of the Office.

Status of the Claims

Claims 1-17 were pending and under examination in the Office Action dated 13 March 2008. Claims 7 and 17 have been amended to correct punctuation. No other claims are amended, canceled or withdrawn in the instant response. Therefore, claims 1-17 are currently pending and under examination.

Claim Rejections – 35 U.S.C. § 102

Applicant acknowledges the quotation of 35 U.S.C § 102(e).

Claims 1-17 stand rejected by the Office as allegedly anticipated under 35 U.S.C § 102(e) by U.S. Patent No. 6,901,387 B2 to Wells et al. ("Wells"). Applicant traverses this rejection because the Wells patent fails to teach each element of the claim under consideration. **Generally speaking,** Wells teaches a system that relies heavily on interaction between a client/claimant and an issuer, with some *limited* involvement by the merchant in the system. In contrast, the present invention teaches **and claims** a system based almost exclusively on merchant/issuer interaction with little or no involvement of the client/claimant.

It is well settled that "[a]nticipation requires the disclosure in a single prior art reference of each element of the claim under consideration." [1, 2] To find anticipation the identical invention

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[1] W.L. Gore and Assoc. v. Garlock, Inc., 721 F.2d 1540, 220 USPQ 303, 313 (Fed. Cir. 1983) (citing Soundscriber Corp. v. United States, 360 F.2d 954, 960, 148 USPQ 298, 301 (Ct. Cl.), *adopted*, 149 USPQ 640 (Ct. Cl. 1966)), *cert. denied*, 469 U.S. 851 (1984); See also Carella v. Starlight Archery, 804 F.2d 135, 138, 231 USPQ 644, 646 (Fed. Cir.), modified on reh'g., 1 USPQ 2d 1209 (Fed. Cir. 1986). RCA Corp. v. Applied Digital Data Sys., Inc., 730 F.2d 1440, 1444, 221 USPQ 385, 388 (Fed. Cir. 1984).

must be shown in as complete detail as is contained in the claim with the elements arranged as required by the claim.[3] For a rejection under 35 U.S.C. 102 to be proper, the cited reference must clearly and unequivocally disclose the claimed subject matter; a rejection may not be made by picking and choosing among different options or elements from various portions of the specification or as found in different embodiments to produce the claimed invention for the purpose of a rejection for anticipation.[4,5]

"The express, implicit, and inherent disclosures of a prior art reference may be relied upon in the rejection of claims under 35 U.S.C. 102 or 103."[6] It is submitted that an express disclosure of subject matter corresponding to a limitation would be one where the subject matter is explicitly stated and would be capable of pinpoint citation in support of a rejection by the Office, with little or no explanation in support of the pinpoint citation (i.e. the cited section would essentially be self-explanatory). Where the disclosure is implicit or inherent, additional support must be made in support of a rejection and additional requirements must be addressed. In particular, "[t]he fact that a certain result or characteristic <u>may</u> occur or be present in the prior art is not sufficient to establish the inherency of that result or characteristic."[7] "In relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to

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[2] See also MPEP 2131 providing "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). …The identical invention must be shown in as complete detail as is contained in the … claim." *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989). The elements must be arranged as required by the claim, but this is not an *ipsissimis verbis* test, i.e., identity of terminology is not required. *In re Bond*, 910 F.2d 831, 15 USPQ2d 1566 (Fed. Cir. 1990).

[3] Id.

[4] "When the claimed invention is not identically disclosed in a reference, and instead requires picking and choosing among a number of different options disclosed by the reference, then the reference does not anticipate. Akzo N.V. v. International Trade Commission, 808 F.2d 1471, 1480 (Fed. Cir. 1986), cert. denied, 107 S. Ct. 2490 (1987); In re Arkley, 455 F.2d 586, 587-88 (CCPA 1972)." *Mendenhall v. Astec Industries, Inc.,* 13 U.S.P.Q.2d (BNA) 1913, 1928, 1988 WL 188449 (E.D. Tenn. 1988), *judgment aff'd*, 887 F.2d 1094, 13 U.S.P.Q.2d (BNA) 1956 (Fed. Cir. 1989)

[5] "[F]or the instant rejection under 35 U.S.C. § 102(e) to have been proper, the Flynn reference must clearly and unequivocally disclose the claimed compound or direct those skilled in the art to the compound without any need for picking, choosing, and combining various disclosures not directly related to each other by the teachings of the cited reference. Such picking and choosing may be entirely proper in the making of a 103, obviousness rejection, where the applicant must be afforded an opportunity to rebut with objective evidence any inference of obviousness which may arise from the similarity of the subject matter which he claims to the prior art, but it has no place in the making of a 102, anticipation rejection." Application of Arkley 59 C.C.P.A. 804, 807, 455 F.2d 586, 587 - 588 (Cust. & Pat.App.1972).

[6] See MPEP 2112 – Requirements of Rejection Based on Inherency – Burden of Proof.

[7] See MPEP 2112 citing *In re Rijckaert*, 9 F.3d 1531, 1534, 28 USPQ2d 1955, 1957 (Fed. Cir. 1993).

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reasonably support the determination that the allegedly inherent characteristic <u>necessarily</u> flows from the teachings of the applied prior art."[8, 9] Probabilities or possibilities are not sufficient.

For the purposes of contrasting Applicant's invention with the teachings of the Wells' patent, certain designations/characterizations will be made to facilitate the discussion. Designations for the purposes of facilitating a meaningful discussion should not be construed as a limitation to the present claims. In particular, for the purposes of contrasting the differences, Applicant will refer to the systems, both as taught in Wells' and in Applicant's invention, as three party systems. Reference to figure 1 of the Wells patent is illustrative. Both systems make reference to a merchant, so the application of this term is straightforward. A second party to the transaction is Applicant's "claimant" (e.g. as in the preamble to claim 1), which would be roughly analogous to the "client" of Wells. This party will be referred to in the following discussion as "claimant/client" or "client/claimant". Lastly, there is a third party that Wells refers to as the "issuer". This party will be referred to as the "issuer/facilitator" or "facilitator/issuer" in deference to Wells designation of the party as the issuer.

Claim 1 of the present invention is directed at "[a] method of paying a merchant for a claim service provided to a claimant …" Implicit in this recitation is that there is a facilitator (i.e. issuer/facilitator) administrating the paying/payment to the merchant. The method includes the steps of receiving a request from a merchant for a payment associated with a claim, generating a claim identifier, generating a payment number having a predetermined limit amount and a predetermined expiration date, associating the claim identifier with the payment number and transmitting the payment number to the merchant for payment of the claim. The steps of the preceding transaction are steps occurring either (1) between the merchant and the issuer/facilitator or (2) at the issuer/facilitator. For example, the method includes the step of "generating a claim identifier…" Implicit in this recitation is that the claim identifier is generated by the issuer/facilitator. Importantly, the step of generating the claim identifier clearly does not involve the claimant/client. The other independent, claim 17, is similarly directed with respect to

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[8] *Ex parte Levy,* 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990).
[9] See also MPEP 2112 - Requirements of Rejection Based on Inherency; Burden of Proof - "To establish inherency, the extrinsic evidence 'must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient.' " *In re Robertson,* 169 F.3d 743, 745, 49 USPQ2d 1949, 1950-51 (Fed. Cir. 1999)

the remarks made above. In particular, the claim implicates steps taken by the issuer/facilitator or interactions between the issuer/facilitator and the merchant.

Wells teaches an electronic purchasing transaction system. In making the rejection over the Wells patent the Office has made specific reference to the embodiment outlined in figure 7 of Wells. Furthermore, in making the rejection the Office has stated that "Wells discloses … generating a claim identifier (see fig. 7 element 704)…"[10] Thus, according to the Office, element 704, Wells' "purchase order"[11] is analogous to Applicant's "claim identifier". Wells describes the process embodied in FIG. 7 as detailed in columns 17-21 of the Wells patent. According to Wells:

> The process begins at step **702** when a participant in a purchasing program (a "client" or its agent) selects a merchant and one or more items to be purchased from the merchant. … The client (or the purchasing system software or accounting software used by the client) then assigns a purchase order identifier to the desired transaction (step **704**). In the example transaction, the purchase order identifier is automatically generated (e.g., from the company's procurement system).[12]

Therefore, according to Wells, it is the client who begins the process. In beginning the process, the client generates the purchase order/claim identifier. In the system taught and claimed by Applicant, the client/claimant plays no part in generating the claim identifier. Up to this point in Wells, only the client has been involved. In the system claimed by Applicant it both the merchant and the issuer/facilitator are involved (e.g. see the step of "receiving a request from the merchant for a payment associated with a claim" followed by "generating a claim identifier"). Contact with the other parties in Wells begins when "Processing continues at **705** where the client (e.g., by operating a client device such as shown in FIG. 1) submits the purchase order information to account management system **105**."[13] Wells describes the steps that follow between the client/claimant and the issuer/facilitator as follows:

> Processing continues at **706** where account management system **105** operates to authenticate the identity of the client submitting the request. … Processing continues at **707** where a pre-authorization request is submitted from account management system **105** to the issuer processor (or, in some embodiments, to the account issuer). … The pre-authorization request includes the limited use account identifier selected at **706** and information from the purchase order (e.g., such as the total purchase amount of the proposed transaction). … In response to the pre-authorization request, the issuer processor returns a pre-authorization response to account management system **105**. If the pre-authorization response is a confirmation that a pre-authorization for a particular amount has been set up, processing continues at **708** where account

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[10] Office Action mail dated March 13, 2008 at page 2.
[11] See U.S. Patent No. 6,901,387 B2 to Wells et. Al, at col. 18, lines 2-3.
[12] U.S. Patent No. 6,901,387 B2 to Wells et. Al, at col. 17, line 60 through column 18, line 6.
[13] U.S. Patent No. 6,901,387 B2 to Wells et. Al, column 18, line 6.

management system **105** forwards the selected limited use account identifier to the client. The client may then utilize the limited use account identifier in the subject transaction.[14]

Up to this point the merchant has not been involved in the method taught by Wells. The transaction has proceeded through interaction between the client/claimant and the issuer/facilitator.

The Office has characterized the step of "transmitting the payment number to the merchant for payment of the claim" as being met by step 712 of FIG. 7. However, Wells teaches that "[a]fter receipt of the assigned limited use account identifier from account management system **105**, the client may transmit the received limited use account identifier to the merchant to effect payment for the ordered item (step **712**)."[15] Thus, in Wells it is the client that is "transmitting the payment number to the merchant for payment of the claim" based upon the position of the Office. In contrast, in Applicant's system the payment number is transmitted to the merchant by the system based upon the prior interaction between the merchant and the issuer/facilitator and the steps emanating from the issuer (not the client in transmitting payment).

As indicated above, "[a]nticipation requires the disclosure in a single prior art reference of each element of the claim under consideration." [16, 17] To find anticipation the identical invention must be shown in as complete detail as is contained in the claim with the elements arranged as required by the claim.[18] Wells does not teach each element of the claim under consideration. Furthermore, the elements clearly are not arranged as required by the claim. Many of the steps performed by the client in Wells are performed by other parties in the claimed methods of applicant. In light of the foregoing it is respectfully submitted that Wells clearly does not anticipate the subject matter of claims 1 and claims 16. Furthermore, any claims depending from claims 1 and 16 would be allowable as a matter of law.

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[14] U.S. Patent No. 6,901,387 B2 to Wells et. Al, column 18, line 18 through column 19, line 11.

[15] U.S. Patent No. 6,901,387 B2 to Wells et. Al, column 19, lines 15-18.

[16] W.L. Gore and Assoc. v. Garlock, Inc., 721 F.2d 1540, 220 USPQ 303, 313 (Fed. Cir. 1983) (citing Soundscriber Corp. v. United States, 360 F.2d 954, 960, 148 USPQ 298, 301 (Ct. Cl.), *adopted*, 149 USPQ 640 (Ct. Cl. 1966)), *cert. denied*, 469 U.S. 851 (1984); See also Carella v. Starlight Archery, 804 F.2d 135, 138, 231 USPQ 644, 646 (Fed. Cir.), modified on reh'g., 1 USPQ 2d 1209 (Fed. Cir. 1986). RCA Corp. v. Applied Digital Data Sys., Inc., 730 F.2d 1440, 1444, 221 USPQ 385, 388 (Fed. Cir. 1984).

[17] See also MPEP 2131 providing "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). ...The identical invention must be shown in as complete detail as is contained in the ... claim." *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989). The elements must be arranged as required by the claim, but this is not an *ipsissimis verbis* test, i.e., identity of terminology is not required. *In re Bond*, 910 F.2d 831, 15 USPQ2d 1566 (Fed. Cir. 1990).

<u>Wells also does not anticipate the subject matter of the dependent claims</u>

Claims 2-4:

Claim 2 recites the limitation that "the claim is for a service rendered." Claim 3 recites the limitation that "the claim is for a replacement product received." Claim 4 further limits the receiving step of claim 1 by reciting that the step further comprises "receiving an estimated cost of repair from the merchant." The Office appears to address these claims on the second to last paragraph of page 2 where the paragraph begins "Re claims 1, 2-4. Wells discloses a method of paying a merchant for a claim service ..." However, the paragraph does not appear to address the limitations recited in the claims, nor do the sections cited by the Office with respect to claim 1 anticipate the subject matter of claims 2-4.

Claim 6:

With respect to claim 6 the Office has stated "Re claim 6. Wells further discloses the method of claim 1, wherein generating a payment number having a predetermined limit amount and a predetermined expiration date further comprises: receiving an estimated cost of repair from the merchant; and authorizing the predetermined limit amount (i.e., authorization see col. 4 lines 1-15)"

Claim 6 further limits the "generating a payment number ..." step of claim one by reciting that steps of "receiving an estimated cost of repair from the merchant; and authorizing the predetermined limit amount." Column 4, lines 1-15 of Wells is presented below:

> If such data match, the transaction may be approved by the account issuer. After authorization of the transaction, the account issuer generates an account summary including the received financial amount and the purchase order number or other identifier received with the request. The account summary may be transmitted to the client for internal reconciliation. Pursuant to some embodiments, limited use account identifiers may be reissued or reused after a transaction using the limited use account identifier has settled or after a preauthorization of the limited use account identifier has expired.

> In further embodiments of the disclosed system, the pool of available limited use account identifiers may be assigned prior to any purchase requests by an client, and the number of available limited use account identifiers may be based on the client's purchasing history, or other anticipated amounts of transactions by the client.

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[18] Id.

With all due respect, the excerpted passage does not teach anything about "receiving an estimated cost of repair from the merchant; and authorizing the predetermined limit amount." The passage speaks of an account summary that may be provided by the issuer to a client for the purposes of reconciliation, but nothing is provided to the merchant nor does it implicate "receiving an estimated cost of repair from the merchant; and authorizing the predetermined limit amount." In light of the foregoing it is respectfully submitted that Wells fails to teach each element of the claim under consideration.

Claim 7:

As indicated above, the Office has equated the "purchase order" of Wells with the "claim identifier" of the present invention (i.e. "Wells discloses … generating a claim identifier (see fig. 7 element 704)…"[19]). The claim at issue recites:

The method of claim 1, wherein generating the claim identifier further comprises:

identifying a contract number assigned to a claimant;

generating a claim number; and

associating the claim number with the contract number.

Thus, the Office is stating, in essence, that: wherein generating the *purchase order* further comprises: identifying a contract number assigned to a claimant; generating a claim number; and associating the claim number with the contract number."

The Office states "Re claim 7. Wells further discloses the method of claim 1, wherein generating the claim identifier further comprises; identifying a contract number assigned to a claimant; generating a claim number; and associating the claim number with the contract number (see fig.9)" Figure 9 of Wells references the Account Summary. The Offices attention is respectfully addressed back to FIG. 7. In FIG. 7 at step 704 the purchase order is generated. At step 720 the account summary is generated. Clearly the two are very different steps occurring at very different times in the process. There is no indication that either meets the limitations of the claim. In light of the foregoing it is respectfully submitted that Wells fails to teach each element of the claim under consideration.

Claims 8 and 9:

Clam 8 recites:

The method of claim 1, further comprising after transmitting the payment number to the merchant for payment of the claim:

tracking at least one merchant payment associated with the payment number; and

associating the payment number and the claim identifier with the at least one merchant payment.

The Office states "Re claim 8. Wells further discloses the method of claim 1, further comprising after transmitting the payment number to the merchant for payment of the claim: tracking at least one merchant payment associated with the payment number; and associating the payment number and the claim identifier with the at least one merchant payment (see fig.9, also see col.13 lines 6-11)"

Figure 9 is an account summary, which, as indicated above with respect to claim 6, is for the client and therefore says nothing about tracking payments with merchants. Column 13, lines 3-12 is reproduced below:

Pursuant to some embodiments of the present invention, this ability to compare several partial shipments or authorizations with a single pre-authorization may be performed in a manner which is transparent to the purchasing client.

FIGS. 4 and 5 describe the databases **400** and **500** that may be maintained at (or otherwise accessible to) account management system **105** to track client information, associated limited use account identifiers, and transactions involving limited use account identifiers.

The passage refers to tracking client information, not tracking at least one merchant payment associated with the payment number; and associating the payment number and the claim identifier with the at least one merchant payment as recited in the claim. Claim 9 would be allowable as a matter of law as being dependent upon an allowable claim; namely claims 1 and 8. In light of the foregoing it is respectfully submitted that Wells fails to teach each element of the claim under consideration.

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[19] Office Action mail dated March 13, 2008 at page 2.

Claim 10:

Claim 10 recites:

The method of claim 1, further comprising:

requesting a load of funds equal to the predetermined limit amount;

executing the load of funds;

generating a confirmation of the load of funds execution; and

reconciling the payment number and the claim identifier with the confirmation of the load of funds execution.

A step in claim 10 recites "requesting a load of funds *equal to* the predetermined limit amount …" (emphasis added)

With respect to claim 10 the Office states: "Re claim 10. Wells further discloses the method of claim 1, further comprising: requesting a load of funds equal to the predetermined limit amount; executing the load of funds; generating a confirmation of the load of funds execution; and reconciling the payment number and the claim identifier with the confirmation of the load of funds execution (see fig.7 element 722)." Step 722 is a decision box that asks if the amount requested is below the preauthorization amount or threshold. A request is not being made for "a load of funds *equal to* the predetermined limit amount …" as recited in the claim. See also column 20, lines 60-65 where it is stated "If processing at **722** indicates that the settlement amount requested by the merchant is not less than the pre-authorized amount (or is not less than the pre-authorized amount less a threshold amount), processing ends and the limited use account identifier is made available for future transactions in the card pool." Thus, there is no request for a load of funds equal to the predetermined limit amount. In light of the foregoing it is respectfully submitted that Wells fails to teach each element of the claim under consideration.

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Claims 13-14:

Claims 13-14 recite the limitation that the claim is an insurance claim and a warranty claim, respectively. The Office has rejected these claims with reference to column 3, lines 35-55.[20] Applicant can find no indication of the subject matter claimed in the cited section.

For the foregoing reasons it is respectfully submitted that Wells does not teach a methodologies as claimed in the instant invention. It is therefore respectfully requested that the Office withdraw the rejection of claims 1-17 under 35 U.S.C § 102(e).

Conclusion

For the reasons cited above, Applicant believes that claims 1 through 17, as amended, are patentable and in condition for allowance.

If the Office is not fully persuaded as to the merits of Applicant's position, or if an Examiner's Amendment would place the pending claims in condition for allowance, a telephone call to the undersigned at (813) 925-8525 is requested.

Very respectfully,

SMITH & HOPEN, P.A.

By:_____

Dated: April 14, 2008

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[20] Office Action mail dated March 13, 2008 at page 4, first paragraph.

CERTIFICATE OF ELECTRONIC TRANSMISSION

(37 C.F.R. 2.190 (b))

I HEREBY CERTIFY that this correspondence is being electronically transmitted to the Patent and Trademark Office through EFS Web on April 14, 2008.

Date: April 14, 2008   _____

                                                  Lauren Reeves